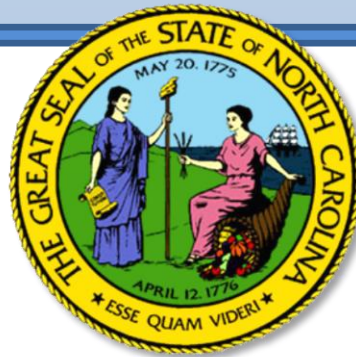




Secure Exchange
SOLUTIONS

THE TRUSTED MEDICAL CARD™ SYSTEM

Pilot Report Presentation








JANUARY 25, 2012



What is a Smart Card?

A smart card is a device that includes an embedded integrated circuit that can be either a secure microcontroller or equivalent intelligence with internal memory or a memory chip alone. The card connects to a reader with direct physical contact or with a remote contactless radio frequency (RFID) interface. With an embedded microcontroller, smart cards have the unique ability to store large amounts of data, carry out their own on-card functions (e.g., encryption and mutual authentication) and interact intelligently with a smart card reader. Smart card technology is available in a variety of form factors, including:

-  Embedded circuit plastic cards
-  Key-fobs
-  Watches
-  Subscriber identification modules used in GSM mobile phones
-  **USB-based tokens**



Smart cards offer a number of features that can be used to provide or enhance privacy protection information driven systems, which drives cost, these features are:

- ◆ Authentication,
- ◆ Secure data storage,
- ◆ Encryption and digital signature capabilities,
- ◆ Strong device security,
- ◆ Secure communications,
- ◆ Biometrics,
- ◆ Personal device, and
- ◆ Certifications.



Smart Card

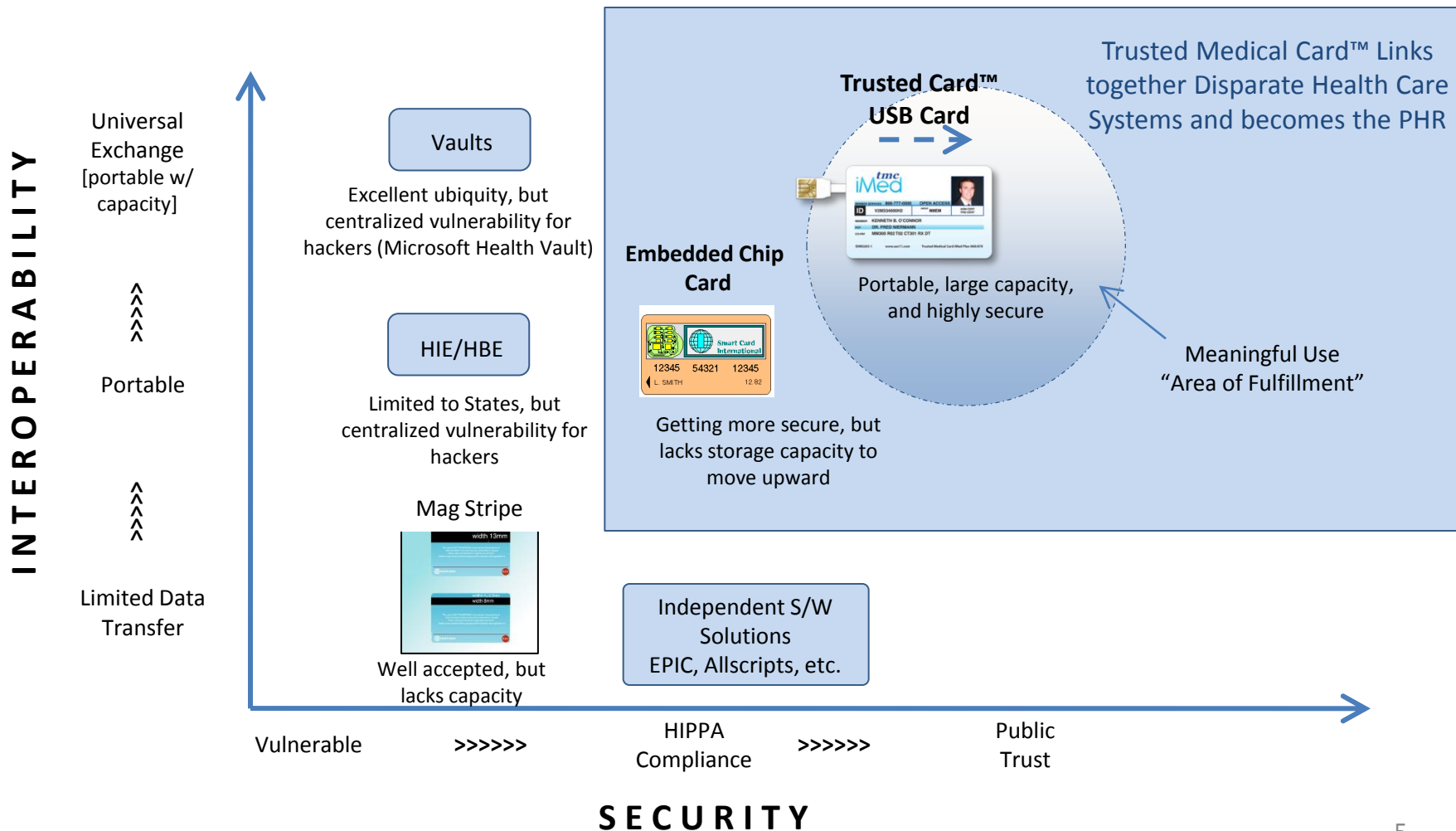
Health Care Implementations Considerations

- ◆ Security
- ◆ Interoperability Across Multiple Systems
- ◆ Initial Implementation Costs
 - Program Management
 - Software Development
 - Installation and Training
- ◆ Continuing Support Costs
 - Software Maintenance (Driver Upgrades)
 - Hardware Maintenance
 - Crypto-Key Management





Smart Cards in Diverse Health Care Environments



Pilot Objectives

The principal aim of the pilot was to evaluate the feasibility of distributing cards to recipients and integrating with current clinical practices to help establish recipient eligibility in real-time and to evaluate the overall impact on the health delivery system. This was done by assessing the following concerns:

- 🌐 Would such a program be cost effective and usable for providers, Medicaid recipients and North Carolina's Medicaid Program?
- 🌐 Would the cards be carried by patients, used by providers and reduce administrative burden?
- 🌐 Could the system be used to integrate multiple DHHS and other services?
- 🌐 What other services could be provided by the Trusted Medical Card™ System?
and
- 🌐 If implemented, what are the potential savings to North Carolina in a phased implementation?



Pilot Overview

- ✦ Registration Functionality Interface with NC EIS
 - Once proven eligible, card data populated from database
- ✦ Multiple Location Functionality (4 locations)
- ✦ Binds Patient to Doctor Location – Provides Elapsed Time
- ✦ Size of Eligibility Database
 - Currently ~252,000 (updated every 24 hours)
- ✦ Enabled Single Sign-In
- ✦ Number of Cards Issued: 540
- ✦ Number of Cards Re-used: 95
- ✦ Number of Transactions: 12,500+
- ✦ Card Failures: 1 (Construction Defect)



Key Pilot Findings & Observations

- Technical Integration with State's Eligibility Database: Successful
- Card Issuance: Simple
- Medicaid Eligibility: Accurately and Quickly Verified
- Authentication: Highly Accurate
- Patients: Exhibited a "Sense of Pride" in Card Ownership
- Provides a "Front End Transaction / Policy " Service Model (e.g.: Credit Card Fraud Monitoring)
- Provides a Flexible, Adaptable Platform – Seamless Integration
- Prevents Identity Fraud
- Prevents Provider Fraud - Phantom Billing
- Impacts Up-coding Fraud
- Saves: Money – State, Medicaid Provider, and Federal



Other Observations

- Confirmed System Functionality and Ease of Use
 - Registration - Identification at the Point of Service (POS)
- No Additional Equipment Required
- No Software Support Required – Easily Interfaced to Office Systems
- Compliant with CMS Funding Initiatives (Grant Initiatives)
- Minimum Support & Training Required
- Supports and is Compliant with Current NC and US Legislation
- Improves Efficiency and Greatly Reduces Administrative Costs Throughout Entire Health Care System (Increases Administrative Efficiencies and Productivity Enhancements)
- Provides Single Platform for Multi-Services (Identity and Eligibility Throughout the State and Federal Programs)
- Can Increase Billing Accuracy and Efficiency



TMCS Potential Financial Impact Summary

Financial Beneficiary of TMCS System*	Annual Savings
HEALTHCARE PROVIDERS <ul style="list-style-type: none">– Eligibility validation efficiencies– Avoidance of services to ineligible patients	\$226,000,000
STATE MEDICAID PROGRAM <ul style="list-style-type: none">– Patient-based fraud– Provider-based fraud	203,000,000
FEDERAL GOVERNMENT <ul style="list-style-type: none">– Medicaid Match at 67%	413,000,000
Total Savings	\$842,000,000

**Assumes statewide implementation of piloted functionality.*

OR:

\$2,306,856 / Day



The Trusted Medical Card™ System :

- ◆ Complies with Senate Bill 307
- ◆ Demonstrates “Ease of Use” and Acceptance
- ◆ Provides a Electronic Identity Across Multiple Services
- ◆ Prevents Identity and Provider Fraud

In Addition, it Creates an Overall “Win – Win – Win” Scenario :

- ◆ **Win: Patient** – Better Health Care at the Point of Service
- ◆ **Win: Provider** – Efficient Process that Saves Time and Money
- ◆ **Win: State** – Provides: Single Interface, Stops Fraud, and Improves Efficiency



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S O L U T I O N S

Thank You



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